

Integrated Pharmacy Savings Programs: A New Approach to Improve Satisfaction While Closing the Gaps in Coverage and Care

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Now that certain key provisions of healthcare reform have been implemented, important trends are beginning to emerge. According to the White House, as of the end of the first quarter of 2014, 7 million Americans obtained coverage through the insurance exchanges.¹ Of those, 85% have chosen silver and bronze plans—those plans with lower monthly premiums, but with more restricted formularies and higher out-of-pocket costs.²

Health plans and employers should take notice. Taken together, these statistics indicate that recently insured Americans may potentially go to the doctor and take a prescription to the pharmacy, only to learn that their medications are not covered by their funded benefit.

For payers, this gap in coverage and care offers both a challenge and an opportunity. Maintaining customer satisfaction and managing turnover may be difficult as consumers realize the limits of their coverage. Yet, payers who find new ways to help their consumers to reduce their out-of-pocket costs may gain a competitive advantage.

Some plans are piloting a new approach to seamlessly integrate prescription discount programs with funded benefits. When the consumer presents a prescription that is covered under the plan, he or she pays the co-pay. If the prescription is not covered, the drug discount program automatically is applied, and the member is charged the discounted price. Depending on the drug and program, discounts generally range from 15% to 75% off full retail price.

For consumers, this program offers many benefits. The discount program and covered benefits are fully integrated: it is easy to use and it does not require separate enrollment, cards, or claims forms. Because discount programs typically apply to all FDA-approved prescription drugs

and are accepted at most pharmacies, consumers typically will not need to pay full price for medications, whether covered by the funded benefit or not.

For pharmacies, this approach is seamless, allowing pharmacy staff to serve consumers without additional steps or interrupting customer flow. And because fewer customers will face the sticker shock of full-price medications, pharmacies may fill more prescriptions while managing fewer prescriptions returned to stock.

But for payers, the integrated solution has the potential to be a game changer. By lowering out-of-pocket costs, payers could see greater member satisfaction, lower turnover, and improved compliance with prescribed medication regimens. Plans also will gain awareness of utilization not covered by the funded benefit. This information can be used to improve utilization management and boost CMS Star Ratings, as well as other compliance and adherence programs, a key objective in managing healthcare outcomes.

In the past, many payers were reluctant to embrace prescription discounts over concerns that they could undermine carefully developed formulary management and rebate programs. However, as we shift the healthcare paradigm, new ways to lower out-of-pocket costs, improve adherence, and gain more insights into utilization are worth another look.

REFERENCES

1. Remarks by the President of the United States on the Affordable Care Act, made April 1, 2014. The White House Office of the Press Secretary.

2. ASPE Issue Brief: health insurance marketplace: summary enrollment report for the initial annual open enrollment period: for the period: October 1, 2013 – March 31, 2014 (including additional special enrollment period activity reported through 4-19-14). HHS website. http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/ib_2014apr_enrollment.pdf. Published May 1, 2014. [ajpb](#)